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Spotlight

ON FOREIGN MARKETING



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TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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CCC TO START NEW "PAYMENT-IN-KIND" PROGRAM FOR FEED GRAINS.

Effective May 5, 1958, the Commodity Credit Corporation will inaugurate a payment-in-kind export program for corn. A similar program will be put into effect on July 1, 1958, for oats, barley, grain sorghums and rye. Under the program CCC will not sell feed grains for export except for barter contracts, sales under CCC credit program GSM-1, and in such unusual cases as are approved by the Executive Vice-President of CCC.

Exporters will be issued payment-in-kind certificates upon supplying proof of export to CCC. The certificates will be redeemable by CCC in any one of the feed grains for which the subsidy program is in effect. These certificates will not be interchangeable for redemption as between the feed grains and wheat. The dollar amount for which the certificates are issued will be established by competitive bidding. CCC will sell non-storable grain into the domestic market for unrestricted use and continue to sell storable grain for not less than the legal minimum.

RICE AND SOYBEANS AVAILABLE FOR BARTER PROGRAMS. The USDA recently made limited quantities of the 1956 crops of California Pearl rice and soybeans available for export under the barter program. Already available are wheat, feed grains, cotton, tobacco and dairy products.

Rice must be milled and exported by August 1, 1958. There is no time limit for shipping soybeans, which can be shipped whole or as oil and meal. Prices of both rice and soybeans will be in accordance with the CCC Monthly Sales List.

A special supplement on Barter Programs will be prepared in the near future as an attachment to SPOTLIGHT.

CCC INTEREST RATES FALL TO NEW LOW. Per annum interest rates applicable to purchases under CCC's Export Credit Sales program for the month of April are as follows: 2-1/2% - six months or less, 3% - over six to eighteen months, and 3-1/2% - over eighteen to 36 months.

These rates are the lowest since credit sales were authorized in the spring of 1956.

JAPAN BUYS DRY MILK FOR SCHOOL LUNCH PROGRAM. Over 11 million pounds of CCC-owned nonfat dry milk solids were sold recently to Japan for school lunch use at 4 cents per pound, FAS Gulfport, Miss.

MARYLAND TOBACCO MARKET OPENS APRIL 29. Auction sales for one of the world's finest light air-cured tobaccos will be open April 29 to July 17 in Maryland. Prices are quite competitive with other light types. More than adequate reserve supplies assure a wide variety of grades to meet buyer requirements.

Maryland, Type 32, is widely used for blending with other types to impart one or another of its special qualities. It is a light, even-burning tobacco with a mild aroma and delicate flavor. Its light weight per unit of volume makes Maryland leaf a good filler.

WHEAT EXPORT PROGRAM MODIFIED TO INCLUDE BULGOUR. Cash payments under the export program formerly included only U. S. -produced flour. Bulgour, which is widely accepted in Middle East countries, is processed from wheat by steaming under pressure. Cash payment on bulgour will amount to 86.8 percent of the daily-announced export rate for 72 percent extraction flour.

In September, 1957, the Washington Wheat Growers Association cooperated with FAS in a market development project for bulgour in Korea. Consumer acceptance of the product was gained through demonstration meals, trial samples, cooking instruction, and through promotional literature and advertising.

FEED GRAIN SURVEY FOR EUROPE UNDER WAY. The National Federation of Grain Cooperatives is surveying feed grain market possibilities in Greece, West Germany and Italy under a project with FAS. The survey team will determine the possibility of carrying out future promotional activities in six categories: trade team visits to the United States; educational and promotional activities; feeding demonstrations; experimental projects; census of feed grain users; and cooperation and possible financial contributions from various foreign groups. The survey is expected to take about three months.

TRADE GROUP TO SURVEY MARKETS IN INDIA. A group of oil exporters has sent one of its top executives to the Far East to explore the market potential for soybeans and soybean products in India and other areas. The fact that the trade group is paying the entire cost of the survey is indicative of the growing interest among private traders to promote overseas markets for the products they represent.

U. S. FARM EXPORTS AT HIGH LEVEL TO JAPAN. In analyzing the following table it should be remembered that these increases are being made at the expense of Japanese dollar reserves.

	<u>1956</u>	<u>1957</u>	<u>% Change</u>
	<u>Million dollars</u>		
Agricultural	392	454	+16
Non-agricultural	<u>495</u>	<u>770</u>	+56
Total	887	1,224	+38

NEW COTTON EXPORT PROGRAMS ANNOUNCED. The new basic program will be similar to the one in effect last year. One important change for the 1958-59 marketing year will be the addition of a "payment-in-kind" provision to help encourage exports from commercial stocks. At present, Government-owned stocks are offered for export at competitive bid prices. Under the "payment-in-kind" supplement, credit will be earned by export shipments from commercial sources. Such credits must be used in the purchase of cotton from Government supplies. In case CCC stocks are inadequate, payments will be made in cash.

Present CCC stocks of cotton are down below 1.4 million bales. Of this amount some will be sold for unrestricted use.

The new programs apply to exports on and after August 1, 1958. (Details in U.S.D.A. press release 1119-58, April 23.)

U. S. ROUGH RICE SOLD UNDER NEW EXPORT PROGRAM. On April 22 CCC announced its first sale of 3.9 million lbs. of rough rice at \$3.78 per cwt., Texas and Louisiana storage points. Although the sale was for Bluebonnet and Century Patna, other types are available under this program. They are: Patna, Toro, Rex Oro, Cal Rose and Pearl.

In offering processed rice abroad, U. S. exporters will take into account freight costs, milling margins, packaging, insurance and brokerage fees in addition to the cost of the rough rice paid CCC.

The Portland and Dallas CSS offices will offer rough rice weekly on this basis. Earlier details on program in SPOTLIGHT (Vol. II, No. 5, 3/21/58).

U. S. FIRM PROMOTING BROILER INDUSTRY IN ITALY. An American chemical firm has established an office in Milan to spark interest in the broiler industry. The firm will be active on all levels of broiler activities. It plans to import hatching eggs to help build flocks, handle packaged additives for poultry feed, promote use of soybean meal as source of protein in feeds, and aid farmers in marketing the broilers they raise. The company has had representatives in Italy for some time studying the situation and now appears about ready to begin substantial operations. It is also studying possibilities in the German market.

U. S. FARMERS SWAP COWS FOR COLOMBIAN TOUR. This arrangement was used in connection with the Medellin Livestock Fair in March to help maintain the flow of U. S. breeding cattle needed to build up Colombian dairy herds. U. S. cattlemen used peso proceeds from these sales to finance their trip to the fair and a tour of the country. This "farmer-to-farmer" approach is expected to build not only good will but valuable contacts which may lead to continued commercial activity for U. S. dairy breeding stock.

APPLE AND PEAR PROJECT FOR LATIN AMERICA. A project agreement has been signed with the Northwest Horticultural Council to survey market possibilities for U. S. apples and pears in four South American countries. They are: Brazil, Colombia, Equador and Peru.

TABLE I, GUIDE TO COMMERCIAL SALES

Commodity	Unit	Grade, Type or Variety	Location	Latest Price Week of 4/25/58	Price Year Earlier
Wheat 1/	Bushel	#2 H. W.	Galveston	\$ 2.46-2.56	\$ 2.43-2.48
" 2/	"	#1 S. W.	Portland	2.18-2.20	2.64
" 3/	"	#2 S. R. W.	Baltimore	2.38	2.46
Pinto Beans	Cwt.	#1 Pinto	FAS Gulf	7.50	--
Dry Peas	"	#1 Alaska, whole	FAS West Coast	4.75	--
Cottonseed Oil	Pound	B. P. S. Y.	May Fut. N. Y.	.1574	.1482
Soybean Oil	"	Refined	New York	.1375	.1450
Cottonseed Oil	"	Crude	Valley	.1350-.1400	.1275
Soybean Oil	"	Crude	Decatur, Ill.	.1112	.1262-.1275
Linseed Oil	"	Raw	Minneapolis	.1390	.1260
Soybeans	Bushel	#1 Yellow	Chicago	2.28-2.29	2.41
Lard	Pound	Refined 50# tin	Chicago	.1375	.1525
Tallow	"	Prime Inedible	Chicago-FOB	.0725	.06875
Greases	"	Choice White	" "	.0775	.0775
Cottonseed Meal	Sh. Tn.	41% Bagged	Memphis	63.75	54.50
Soybean Meal	" "	44% Bagged	Decatur	66.50	49.50
Milk, Evap.	Case	48-14 1/2 oz.	Pac. Cst. Mkts.	6.10-6.60	5.95-6.45
Eggs, Shell	Doz. Med.	Mixed colors	New York	.345-.36	.31-.32
" Dried	Pound	Whole	" "	1.24-1.30	.96-1.05
Beef Trimmings	"	75-85% leanfroz.	Chicago	.3900	.2700
Beef Hearts	"	Regular frozen	"	.3000	.1450
Beef Livers	"	" "	"	.3450	.2000
Pork Trimmings	"	" "	"	.2700	.1600
Chicken, R. C.	"	Gr. A Broilers	New York	.325-.345	.30-.33
Turkey, R. C.	"	Gr. A Beltsville	" "	.455-.47	--
Canned Apricots	Doz. #2-1/2	Choice Halves	FOB-Calif.	3.45	3.15
" Peaches	" "	" "	" "	2.55	2.725-2.825
" Pears	" "	" "	" "	3.25	3.40
Grapefruit Secs.	Doz. #303	Fancy, Lt. syrup	FOB-Florida	1.75	1.60
Orange Juice	Doz. 46 oz.	Sweetened	" "	2.85	2.45
Oranges, Fresh	Std. Ctn.	Size 163 Navels	FOB-Calif.	3.30	--
Lemons, Fresh	" "	" "	" "	2.72	2.57
Raisins	Lb. Bulk	Natl. Thompson	FAS-Calif.	.19	.125
Prunes	Pound	80-90	" "	.12-.125	.0975-.115
Apples, Fresh	Box	Ex. Fcy. 138&lgr.	FOB-Washington	3.50-3.75	4.85-5.25
1/ Export payment all destinations except Latin America and West Indies \$.70; to Latin America and West Indies, \$.67					
2/ Export payment - all destinations, \$.53 3/ Export Payment - all destinations, \$.70					

TABLE II, CCC PORT PRICES FOR EXPORT

Commodity	Unit	Grade, Type or Variety	Port Location	Latest prices	Date of Sales 1958
Corn	Bushel	Non-Storable	Terminal points in		
			Chicago	\$1.20 - 1.33	April 21 -25
			Kansas City	1.23-1/2 - 1.36	
Grain Sorghum	Cwt.		Dallas	1.80 - 1.80-1/4	"
			Portland	1.62-1/2	
Barley	Bushel	No. 3 & 4	Portland	1.04-1/8	"
Oats	"	Heavy white	Minneapolis	.53-3/8	"
Rice	Cwt.	Rough	Gulf	3.21 - 4.14	"
Peanuts	Pound	No. 2 shelled	Gulf	.0879	"
Butter	Pound		Any U.S. Port	.39 (fixed)	"
Milk	Pound	Spray	Any U.S. Port	.099 (fixed)	"
Cheese	Pound	Cheddar	Any U.S. Port	.22 (fixed)	"